

LEASE

THIS LEASE is entered into by and between the **CITY OF LINCOLN, NEBRASKA**, a municipal corporation, hereinafter called "**City**," and **Constellation Studios, LLC**, a Nebraska Limited Liability Company, hereinafter called "**Tenant**," as of the 29 day of January, 2013.

WHEREAS, the City has property in the Antelope Valley Project area that is subject to future redevelopment and;

WHEREAS, the City does not anticipate any such redevelopment in the near future and;

WHEREAS, both parties wish to see the property used for productive purposes and;

WHEREAS, the Tenant understands and acknowledges that the City needs to maintain the ability to terminate this lease or any extensions hereof in a short time in the event the City reaches agreement with a developer for another use of the property,

NOW, THEREFORE, in exchange of the mutual considerations stated herein, the parties hereto agree to the following:

1. **Description of Property.** The **City** hereby leases to the **Tenant**, to occupy and use for parking and other lawful activities, the following described property located in Lincoln, Lancaster County, Nebraska:

Lot 1, Block 6, Antelope Valley 2nd Addition, Lincoln, Lancaster County, Nebraska, (see attached Exhibit A).

2. **Term of Lease.** The **Term** of this **Lease** shall be for five years from the 1st day of April, 2013, (Commencement Date), with an option to renew for two (2) five year terms, and this **Lease** shall not continue in effect thereafter without the written consent of **City**. **Tenant** shall not re-lease, sub-lease or assign this **Lease**, or any part thereof, without consent of **City**. **Tenant** will notify **City** on or before March 1, of each subsequent term, whether **Tenant** plans to exercise option to renew said lease.

3. **Rental.** All rental payments due hereunder shall be paid without notice or demand, and without abatement, deduction or set-off for any reason unless specifically provided herein. Rent for any period during the term hereof which is less than one month (i.e. from the Commencement Date to the first day of the first month following the Commencement Date) shall be a pro-rata portion of the monthly rent installment based on the number of days in such period and the number of days in the month in question. Rent shall be payable to Landlord at the address stated below signatures.

a) **Tenant** shall pay to Landlord as rent for the Leased Property on a Yearly basis, rent in the amount of **TWO THOUSAND NINE HUNDRED AND NO/100 DOLLARS, (\$2,900.00)**, per year, in advance, on or before the first day of each year, beginning on the Commencement Date. Rent

will increase by 10% of the yearly amount at the beginning of each new renewal period, and the **Tenant** agrees to use and maintain the property as indicated below:

b) The **Tenant** shall, (1) not deliberately or negligently destroy, damage, impair, or remove any part of the property and shall otherwise maintain the property in reasonably safe and sanitary conditions in compliance with all applicable laws and ordinances; (2) be fully responsible for all damage, and agrees to pay for all damage caused by **Tenant**, or others permitted by **Tenant** to be on the property; (3) maintain and care for the yard and keep same free from garbage, refuse, rubbish, brush, trash, and junk; (4) agree not to interfere, or allow any pet or guest to interfere with the rights of peaceful enjoyment of other tenants or neighbors.

c) **Tenant** agrees to be responsible for mowing and the removal of noxious weeds on this property during the period of tenancy. **Tenant** is allowed to add landscaping, planters and fencing to the property during the period of tenancy. Said fence will be in compliance with all applicable City laws and ordinances.

d) **Tenant** is allowed to surface all or part of the property with crushed rock, asphalt, concrete or similar material for the purposes of maintaining a parking lot. **Tenant** does not have to remove the crushed rock, asphalt, concrete or surfacing material at the end of the lease period.

e) **City** agrees to notify the owner of the sign to remove said advertising sign at 21st and "O" Street within 90 days of the execution of this lease. The owner of the sign will use due care and caution during the removal of the sign to protect the adjacent building from damage or harm. The **City** shall not be responsible for any damages to the adjacent building caused by the removal of the sign.

f) In exchange for removal of the advertising sign, **Tenant** agrees to paint a mural on the building at 2055 "O" Street within 18 months of the execution of this lease. **Tenant** must receive approval by the **City** of the design for said mural. The **City** agrees to give tenant a \$4,675 credit as a contribution for the materials used in the mural. Upon completion of the mural, the **City** will forego the annual lease payments or portion thereof until the \$4,675 credit to the **Tenant** has been satisfied.

g) It is understood and agreed that neither **Tenant** or **City** shall be bound, in any manner, by the terms and conditions of this Lease until it has been properly executed as provided by the Charter of the City of Lincoln, Nebraska.

4. **Indemnification of City.** **Tenant** agrees to indemnify and save **City** harmless against any and all claims, demands, damages, costs and expenses, for any loss, injury, death, or damage to persons or property which at any time may be suffered or sustained by the **City** or by any person whosoever may at any time be using, occupying, visiting, or be on or about the property located at approximately 21st and "O" Street when such loss, injury, death, or damage shall be caused by or may result from any negligent act or omission or intentional misconduct of the **Tenant**, or from any breach or default on the part of **Tenant** in the performance of any covenant or agreement on the part of **Tenant** to be performed pursuant to the terms of this lease, or from any negligent act or omission or intentional misconduct of **Tenant's** agents, contractors, servants, employees, sublessees, concessionaires or licensees, in or about the property located at approximately 21st and "O" Street. In case of any action or proceeding brought against **City** by

reason of such claim, upon notice from **City**, **Tenant** covenants to defend such action or proceeding. **City** shall not be liable and **Tenant** waives all claims for damage to person or property sustained by **Tenant** or **Tenant's** employees, agents, servants, invitees and customers or any equipment or appurtenances thereunto appertaining becoming out of repair. All property belonging to **Tenant** shall be there at the risk of **Tenant** or such other person only, and **City** shall not be liable for damage thereto or theft or misappropriation thereof.

5. **Insurance.** **Tenant** agrees to procure and maintain a policy of insurance, at its own cost and expense, insuring **City** and **Tenant** from all claims, demands or actions for injury or death of more than one person in any accident to the limit of \$2,000,000, and for damage to property in an amount of not less than \$500,000, made by or on behalf of any person or persons, firm or corporation arising from, related to, or connected with, the conduct and operation of **Tenant's** business. Said insurance shall not be subject to cancellation except after at least thirty (30) days' prior written notice to **City**, shall provide that **City's** coverage will not be affected by acts or omissions of **Tenant** and the policy or policies, or duly executed certificate or certificates for the same, together with satisfactory evidence of the payment of premium thereon, shall be deposited with **City** at the commencement of the term and renewals thereof not less than thirty (30) days prior to the expiration of the term of such coverage.

6. **Termination.** The **City** may terminate this **Lease** at any time for failure of the **Tenant** to comply with any one or more of the provisions of this **Lease** or for convenience. The **Tenant** may terminate this **Lease** for failure of the **City** to comply with any one or more of the provisions of this **Lease** or for convenience. Notice of termination shall be in writing and delivered to the other party forthwith. Any termination hereunder shall be effective upon delivery of the Notice of Termination. In the event of a termination, the **Tenant** shall vacate the property immediately. Nothing contained herein prevents either party from seeking any other remedies allowed by law.

The Leased property is located in a Redevelopment area, and the **City** may terminate this lease at any time if the property is included in an approved redevelopment project. **City** will give **Tenant** a minimum of 90 days written notice of the termination of this Lease if the cause of the termination is for an approved redevelopment project. In addition, the **City** agrees not to sell the property as a single parcel to another party without giving the **Tenant** first right of refusal to purchase for ten (10) years from the date of the original lease agreement or termination or failure to renew the lease agreement, whichever occurs first.

IN WITNESS WHEREOF, the **Tenant** and the **City** have hereto subscribed their signatures on the dates below indicated.

Executed by the **Tenant** this 29 day of January, 2013.

Constellation Studios, LLC, a Nebraska Limited Liability Company

By: Karen Klum
Title: artist
Managing Member

Tenant's Mailing Address:

Constellation Studios, LLC
c/o Karen Kunc
1557 North 32nd Road
Avoca, Nebraska 68307
(402) 275-3382

Executed by the **City** this _____ day of _____, 20_____.

CITY OF LINCOLN, NEBRASKA, a municipal
corporation

By: _____
Chris Beutler, Mayor of Lincoln

Landlord's Mailing Address:


City of Lincoln
c/o Real Estate Division
555 South 10th Street, Suite 205
Lincoln, Nebraska 68508

EXHIBIT "A"



Lease Area

Legend

 Selected Parcels

